

“Gmmco is here to stay for the long haul through good and bad times”

Gmmco, a C.K. Birla Group company, is celebrating 50 years of exemplary business this year. On this special occasion, **H Jayaram, Managing Director & CEO, Gmmco Ltd**, spoke exclusively with EQUIPMENT INDIA. Excerpts:

What have been the key learnings by Gmmco over the past 50 years?

For any successful organisation, the first and foremost is to understand the customer and be close to him. This is the first basic learning for Gmmco. I have been with Gmmco for the past 17 years. For the past 10 years, I have been the CEO and I would say this was my key learning too.

Secondly, Customer success and profitability is key to organisation profitability and growth. We believe our profitability depends on our customers to be profitable, as otherwise there is no way Gmmco can be successful and profitable. We have to ensure that we work shoulder to shoulder with our customer to ensure that he is profitable and that is how we have thrived.

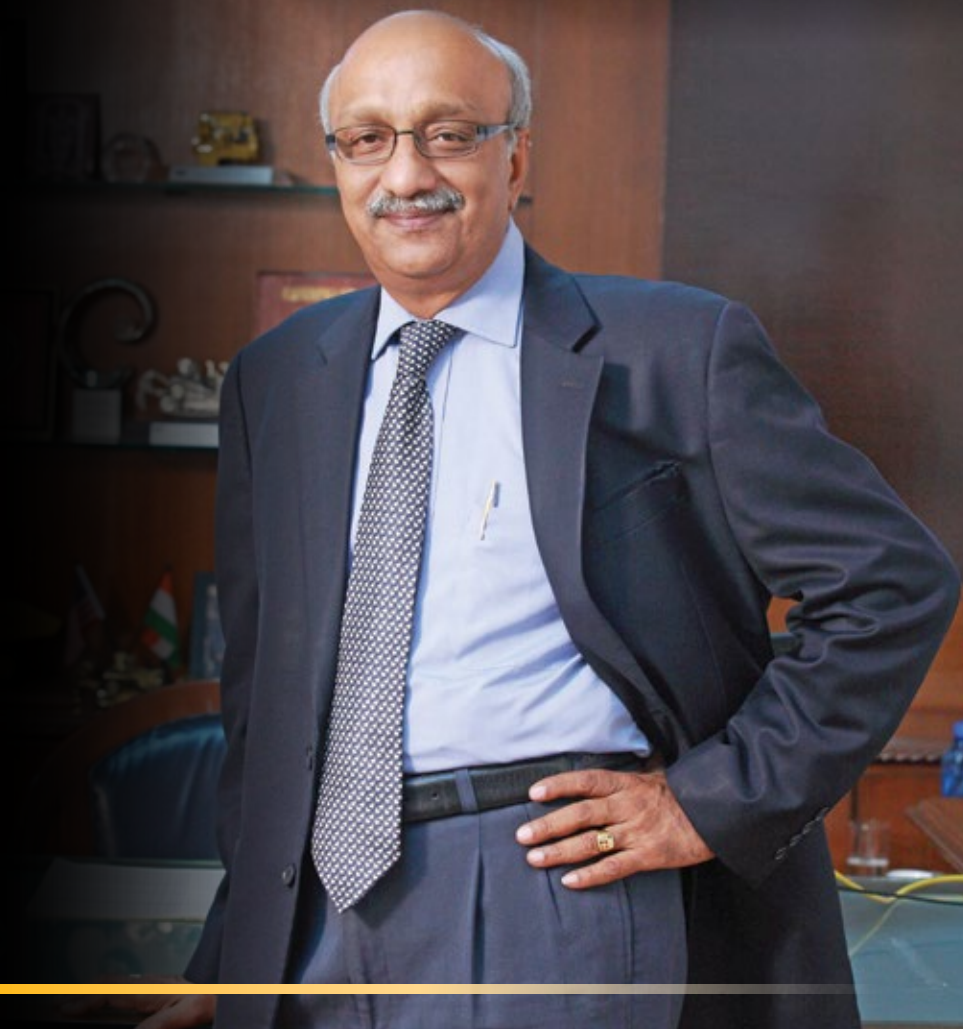
The third equally critical factor is that unless and until an organisation has a highly engaged and committed team, it is very difficult to sustain growth and profitability year after year. Gmmco has had this advantage which in turn has helped the company overcome all the challenges in the market. Whether the times were good, bad or ugly, it has been the engagement of Gmmco team which has driven it to success. This has been a key learning because individually nobody can build a successful organisation for a long time. I have a great team behind me which is highly capable, motivated and engaged.

Technology and productivity are what a customer value at every stage. Unless we keep abreast with latest in the technology, it is not just the product and technology but the way we support the customer. I think technology is for ensuring productivity whether it is cost

per tonne, TCO or any other term used by the customers. But ultimately, the customer has to see his money on the table. Then he will be successful, profitable and in turn inter-linked with us. So I think that technology and productivity is also a critical success factor. We may offer the best products and do everything the best possible way, but at the end of the day, if productivity is low, simply by having a high-end premium world-class product is not going to solve his problem. It involves the machine capability, machine uptime and operator training, using it the right way, which will really determine the productivity. This is one area where we are giving a lot of focus as it is key learning and will be critical as we move forward, particularly technology is going to be a critical differentiator.

Success also depends on how we differentiate ourselves in front of the customer. Today, we are competing against a lot of suppliers who make various claims. So unless we show value to the customer as to how I am different from others, and deliver what we commit to convince the customers that we are genuine partners.

In the last five years, the construction industry went to dizzying heights and tumbled like nine pins. Under these conditions, what is important is the organisation's adaptability and ability to manage the change. Given that the market conditions are going to be more volatile, complex, challenging and uncertain, has been a great learning for Gmmco over the past 5-7 years. Globally, things are in bad shape as most of the major manufacturers have their own challenges because





Data Centre at Gmmco Chennai.

China is down, US is not very bad though, and nothing is happening in Europe. Therefore the challenge from a global standpoint will be very high and that is where the nimbleness of an organisation will be very important.

How will these learnings set the tone for the next half of the century?

The key learnings from the past will be our guiding force for the future and have to be capitalised on. It is most important to understand the customer needs. Today customers are not interested in buying a machine, sales, service or parts support. They say they are in the business of doing something. Why don't you do that job for me and I will pay you as I earn. In other words, I would say that from product and product support, we are transitioning to solution selling. This is going to be the key enabler for our success in the future. I would like to inform you that today Gmmco is running production contracts for some of the coal miners. They buy the equipment for underground mining but we operate and maintain the equipment. We are paid on the basis of per ton of coal produced. We are doing such work in SECL, Singareni Coal Fields for the un-

derground mines, using continuous miners and long walls. Even for surface mining, we are getting paid on per hour utilisation basis because it is very difficult to capture the actual production in surface miner application. So the solutions will be of different types. For instance, very shortly, we are getting into micro grids, part of which is solar. We will enter into a power purchase agreement with the customer for a long period, say 20 years and we will get paid on the kWh produced. Therefore, in future, solution selling will be the main activity and product plus product support will be our core competency so that customers will buy solutions. That will be a major enabler for us as we move forward and we have gained good experience to developing this.

Secondly, in the next few years, technology adaptation will play a major role in our operations, because technology is developing at a mind boggling pace. We have seen the recent announcement of RGIO where voice is free and one only pays for data. This is a completely disruptive approach to a market. At Gmmco, we are moving towards technology-enabled solutions. For example, we connect the job site so that we can remotely

monitor the machine performance; inside conditions like engine or transmission. In fact, we have got a data centre at Chennai wherein we track all the assets which are connected, round the clock data is transmitted via mobile sim card inside the machine. So technology will be a big game changer in the future.

On the other hand, everyone uses smart phones and most users desire to see everything digitally. So, our online parts store is enabled like a Flipkart or Amazon wherein our customers can register themselves and use the online parts transaction facility. Similarly, we are providing online facility to our customers from the enquiry stage itself. At Gmmco, we are geared up such technologies so that we are not left far behind.

What is the business philosophy of Gmmco?

Gmmco's business philosophy is (first and foremost) delivery on commitment, which is fundamental for our company, because we are in an engineering business. As such when we commit something to a customer and do not deliver then the relationship starts on a very bad note. Otherwise we do not commit something even if it is unpleasant.

Secondly, our DNA is excellence in action even under changing conditions. Next, we believe that only enduring partnership with our customers can take the business forward. This is important because our customers are companies which have a long term standing in the market, particularly in the infrastructure space. As such, Gmmco works on developing long term and enduring partnerships with the customers.

Integrity in business dealings is another important aspect. Lastly, teamwork is our philosophy. We retain a highly motivated, capable and engaged team at Gmmco.

Since you are graduating from an equipment seller to being a solution provider, what are your initiatives towards developing inhouse skills?

Our solution selling today is predominantly on large-sized equipment or deal. I talked about underground mining and may be solar etc. It calls for tremendous



“It is a matter of pride that Gmmco has completed 50 years. My wish is that Gmmco becomes a preferred supplier to our customers in infrastructure by becoming a one-stop shop for their requirements.”

- H Jayaram,
Managing Director & CEO, Gmmco Ltd



Ultra large rope shovel working at Reliance site.

capability within the organisation. For example, for ultra large mining machines, we have to literally do it like a project. So, project financial management and all such aspects come into the picture. As such, when we enter into such contracts, we have a deep knowledge of the job requirements, in-depth expertise of the equipment and financial planning to manage the project. It is not just a case of simple breakdown attendance, preventive maintenance or similar activities. Gmmco develops these core competencies beyond the normal selling in their team to enable it understand the product application in-depth and understanding the consequences of not doing the right things at the right time, on a regular basis.

What are the key milestones in Gmmco's journey so far?

From what I know, the first was the

partnership with Caterpillar in 1986 which was a tie-up with the world number one in construction equipment. This has given a tremendous capability to Gmmco as compared to many others because we rubbed shoulders with many of the outstanding Caterpillar dealerships globally which put Gmmco on par with international standards. We are member of many committees and advisory groups, which enable Gmmco remain globally. We have completed 30 years of our partnership so far.

From a futuristic point of view, in 2010 we started our allied business beyond Caterpillar. My wish is that Gmmco should become a one-stop-shop for customers. As such, we tied up with reputed manufacturers which make products beyond the massive product range of Caterpillar. This would enable Gmmco to meet maximum requirements



Ultra large walking draglines of 4,500 tonne with bucket capacity of 60-65 tonne.

of the customers. For example, our tie-up with Daimler for on-off highway mining trucks has really stabilised over the past 5-6 years. There are more in the pipeline and we expect to announce the same in due course of time.

Another key milestone came in 2013, when we tied up for ultra class underground and surface mining equipment with the erstwhile Bucyrus which had been taken over by Caterpillar. We acquired the marketing business from Caterpillar for India. We consider this a major milestone as this placed Gmmco in a different league. For instance, we have done two ultra large walking draglines for Reliance. The weight of each dragline is 4,500 tonne; bucket capacity is 60-65 cu m and the boom is 100 ft long. Interestingly, it takes 20-25 months for erection and commissioning such large equipment because all elements/components are huge and have to be welded, machined and assembled at site.

Moving forward, we are getting into solar technology in a modest way, in this year. Technology is the way forward for any organisation.

What is your vision next for Gmmco?

In my words, Gmmco's vision is to be the market leader in all our product lines and solutions. Generating customer delight will be to world-class standards and generating stakeholder's interest in all aspects.

Are there any specific initiatives by Gmmco to align with this vision?

Our every act will be aligned with this vision. We may not be the market leader today but we will work on quality and not just the quantity to become one of the leaders in the market.

Any special comments on Gmmco?

Gmmco as an organisation, is one of the very few companies in India, catering to practically every infrastructure segment, including marine shipyards, petroleum, offshore exploration, railway, chemicals and fertilisers. This is a wide spectrum experience, which is our greatest strength. I think that Gmmco is in a very enviable position and I have a great team to back it up. **EI**